



RELEVANCE ANALYSIS

Insight

TIM Group

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1. Insights into Double Relevance Analysis

In accordance with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS), the TIM Group annually reviews its Double Materiality Analysis, which is designed to identify the Impacts, Risks, and Opportunities (IRO) relevant to the Group and the sustainability information to be reported. Specifically, the analysis considers both the company's **material impacts** on people and the environment (**Impact Materiality**) and the **material risks and opportunities** that sustainability factors may generate for the Group (**Financial Materiality**).

For each annual reporting cycle, the Group assesses whether there have been any changes in the internal and external environment, stakeholder expectations, the regulatory framework, or other relevant factors that could affect the identified IROs. If no significant changes are identified, the Double Materiality Analysis may be confirmed; otherwise, it is updated in accordance with the guidelines set forth in **Implementation Guidance 1 – Materiality Assessment** published by EFRAG.

In 2025, the TIM Group conducted a review of its Materiality Analysis for the purpose of preparing its sustainability report. The process made it possible to:

- Identify sustainability issues and assess their associated Impacts, Risks, and Opportunities (IROs), based on an analysis of the context and the involvement of both internal and external stakeholders
- integrate the results of the analysis into Enterprise Risk Management processes;
- Classify relevant IROs based on their significance, in order to define sustainability priorities and the information to be reported;
- Involve management and the Board of Directors in the process of sharing and



validating the final results.

2. Relevant sustainability issues and classification of IROs

The Impacts, Risks, and Opportunities (IROs) identified through the Double Materiality Analysis were assessed and ranked based on their significance. The IROs were then mapped to the relevant topics and subtopics set forth in the **European Sustainability Reporting Standards (ESRS)**, which serve as the framework for sustainability reporting under the CSRD.

Relevant Topic	Sub Topic
ESRS E1 – Climate Change	▪ Climate Change Mitigation ▪ Climate Change Adaptation ▪ Energy
ESRS E5 – Circular Economy	▪ Resource outflows related to products and services ▪ Waste
ESRS S1 – Own Workforce	▪ Other employment-related rights ▪ Equal treatment and equal opportunities for all ▪ Working Conditions

Relevant Topic	Sub Topic
ESRS S2 – Workers in the value chain	▪ Working conditions ▪ Other employment-related rights
ESRS S3 – Local Communities	▪ Economic, social, and cultural rights of communities ▪ Personal safety of consumers and/or end users
ESRS S4 – Consumers and End Users	▪ Impacts related to information for consumers and/or end users ▪ Social inclusion of consumers and/or end users
ESRS G1 – Business Conduct	▪ Active and passive bribery ▪ Management of supplier relationships, including payment practices ▪ Protection of whistleblowers ▪ Corporate culture

The complete list of IROs, ranked by materiality, is provided in the 2025 Sustainability Report, under the “General Information” section.



The classification of IROs with respect to ESRS topics forms the basis for the analyses presented in the following sections, which focus, respectively, on the risks and opportunities relevant to the Group (Financial Materiality) and on the significant impacts generated by the Group on people and the environment (Impact Materiality).

3. Topics Relevant for the Enterprise Value Creation

3.1 The central role of customer experience in competitiveness

Topic ESRS: Consumers and End Users

Sub topic ESRS: Social inclusion of consumers and/or end users

Risks and opportunities – Business Case

The customer experience is a strategic driver of the Group's competitiveness and is based on the quality and reliability of services, continuity, the transparency of commercial offerings, and the ability to develop customized solutions tailored to customer needs. These elements help increase customer satisfaction and loyalty, strengthening the brand's reputation, consolidating the Group's competitive positioning, and supporting its ability to generate revenue and create value over time.

Conversely, any issues regarding service quality, network reliability, the transparency of offers, or the ability to meet customer needs may lead to an increase in customer churn, with consequent negative effects on revenue, market share, and profitability.

TIM's Strategic Approach

To capitalize on opportunities and mitigate risks associated with this issue, TIM has adopted an integrated strategy aimed at ensuring a reliable, secure, and high-quality customer experience throughout the entire service delivery cycle. Specifically, the Group promotes initiatives designed to:

- ensure the continuity and resilience of services and network infrastructure through technological investments and monitoring systems;



- develop innovative, reliable, and secure digital solutions and services capable of meeting evolving customer needs;
- improve service quality and promote informed use of services through customer-focused initiatives;
- protect personal data and information security by adopting advanced cybersecurity and data protection systems.

In support of this strategy, various Group functions and companies have obtained or renewed quality certifications compliant with ISO standards, helping to strengthen management processes and performance monitoring. For further details, please refer to Disclosure S4-2 in the 2025 Financial and Sustainability Report.

Performance monitoring and incentives

The effectiveness of the adopted strategy is monitored through specific performance indicators, which are linked to improvement targets and, for certain levels of management, financial incentive mechanisms. In this way, the Group ensures continuous monitoring of the customer experience and strengthens its integration into management and governance processes.

Metrics

- Customer Satisfaction Index (CSI)
- Net Promoter Score (NPS) in key segments

2025 Target

- BU Domestic Detractors: 18,58 %

2025 Results

- BU Domestic Detractors: 15,74%

Link to incentive programs

- MBO 2025: Percentage of detractors in the Domestic Business Unit as of the fourth quarter (weight: 10%);
- MBO 2026: Percentage of detractors in the Domestic Business Unit as of the fourth quarter (weight: 6%)



3.2 Promoting Gender Equality as an Organizational Lever

Topic ESRS: Own Workforce

Sub topic ESRS: Equal Treatment and Equal Opportunities for All

Risks and opportunities – Business Case

Promoting gender equality is a strategic driver of the Group's competitiveness and value creation. The ability to attract, develop, and retain talent—by ensuring equal opportunities for access, professional growth, and compensation—helps strengthen human capital, foster innovation, improve the organizational climate, and reinforce TIM's reputation as a responsible employer. Greater female representation in leadership roles broadens the pool of expertise and perspectives that inform decision-making processes, helping to support productivity, the ability to attract qualified professionals, and long-term value creation. Conversely, any imbalances in gender representation or in professional development opportunities could negatively impact the Group's ability to attract and retain talent, with potential repercussions on competitiveness, reputation, and business performance.

TIM's Strategic Approach

To capitalize on opportunities and mitigate risks related to this issue, TIM promotes a people management model based on the principles of inclusion, equal opportunity, and the celebration of diversity—principles recognized in the Code of Ethics as enabling factors for the Group's sustainable growth.

To support this approach, the Group has adopted an integrated system of tools and policies, including:

- the Human Resources and Equal Opportunity Policy and the Human Rights Policy;
- the Recruitment, Selection, and Compensation Policies;
- the TIM Manifesto for Reducing the Gender Gap;
- the UNI/PdR 125:2022 certification for the Gender Equality Management System.



The strategy is aimed at attracting, developing, and retaining talent by promoting an inclusive work environment that fosters a healthy work-life balance, ensures fair compensation, and offers equal opportunities for professional growth. This strategy also includes specific training and development programs dedicated to women in leadership roles. For more information, please refer to Disclosure Requirement S1-4 in the Group's Financial and Sustainability Report.

Performance monitoring and incentives

The implementation of the strategy is monitored through specific performance indicators and multi-year objectives, some of which are incorporated into the management's variable compensation plans, underscoring the strategic importance of this issue for the Group.

Metrics:

- Percentage of women in leadership positions out of the total number of leadership positions;
- Percentage of female hires;
- Gender pay gap.

2025-2027 Targets

- 35.5% of women in leadership positions out of the total by 2027 (Group);
- 50% of new hires to be women each year through 2027 (Group).

2025 Results

- 33.5% of women in leadership positions
- 52.8% of new hires are women

Link to incentive programs

- MBO 2025: Percentage of female hires out of the Group's total hires (weighting: 6%). The target was exceeded, with a result of 52.8%;



- MBO 2026: Percentage of female hires out of TIM Domestic's total hires (weighting: 6%);
- LTI 2025–2027: Achieve 35.5% women in leadership positions by 2027.

3.3 Energy Transition and Operational Efficiency

Topic ESRS: Climate Change

Sub topic ESRS: Energy Efficiency

Risks and opportunities – Business Case

Efficient energy management and the gradual shift toward renewable energy sources are strategic drivers for the Group's competitiveness and value creation. The growing deployment of 5G networks, the expansion of data centers, and the increase in data traffic—further accelerated by the development of digital technologies and artificial intelligence—are driving an increase in the energy demands of telecommunications infrastructure.

In this context, diversifying energy sources, utilizing renewable energy, and continuously improving the energy efficiency of networks and data centers enable the Group to contain operating costs and reduce exposure to energy price volatility, while supporting the path toward decarbonization. Conversely, inefficient management of energy consumption or excessive reliance on fossil fuels can lead to higher operating costs and increased exposure to risks associated with the transition to a low-emission economy.

These factors are compounded by physical risks stemming from climate change, which can affect the Group's operational continuity and the integrity of its infrastructure. Extreme weather events can, in fact, cause damage to assets, service disruptions, and resulting economic impacts, making the ability to prevent and manage such events a key factor in business resilience.

Strategic Approach

To capitalize on the opportunities and mitigate the risks associated with this issue, TIM has



defined an energy transition and decarbonization strategy, formalized in the Group's Environmental Policy and Climate Transition Plan, aimed at progressively improving the energy efficiency of its infrastructure, reducing greenhouse gas emissions, and strengthening the Group's ability to manage risks arising from climate change.

In particular, the Group promotes initiatives aimed at:

- increase the supply of electricity from renewable sources;
- adopt technological solutions for the monitoring and smart management of energy consumption;
- improve the eco-efficiency of mobile networks and data centers through technological investments and optimization measures;
- pursue the decarbonization goals defined in the Climate Transition Plan;
- assess the exposure of assets to physical climate risks and identify appropriate prevention, adaptation, and mitigation measures.

The assessment of physical risks is also supported by the use of the CLIMADA model, through which TIM analyzes the exposure of its assets to extreme events and estimates their potential economic impacts. These analyses, integrated into the Enterprise Risk Management processes, support the identification of mitigation and adaptation measures and risk transfer strategies, including through the use of insurance coverage.

For further details, please refer to the E1 disclosures in the 2025 Annual Financial and Sustainability Report and the Group's Climate Transition Plan.

Performance monitoring and incentives

The implementation of the strategy is monitored through environmental performance indicators and medium- to long-term objectives, some of which are incorporated into management's variable compensation plans.

Metrics

- Percentage of electricity purchased from renewable sources;
- Greenhouse gas emissions (Scope 1, Scope 2, and Scope 3);



- Eco-efficiency of the mobile network;
- Number of data centers certified according to the European Taxonomy.

Main targets

- 100% electricity from renewable sources (achieved in 2025);
- An 83% reduction in Scope 1 and 2 emissions by 2030;
- A 15% reduction in Scope 3 emissions by 2030 and a 55% reduction by 2040;
- Net Zero by 2050.

2025 Results

- 100% of purchased electricity comes from renewable sources;
- a 79% reduction in Scope 1 and 2 emissions compared to the base year¹;
- a 2% increase in Scope 3 emissions²;
- a mobile network eco-efficiency coefficient of **22,501 bits/joule**.

Link to incentive programs

- MBO 2025: number of data centers certified according to the European Taxonomy (weight: 6%);
- MBO 2026: development of the Group's Climate Transition Plan (weight: 6%);
- LTI 2025–2027: eco-efficiency of the mobile network (15% weighting);
- LTI 2026–2028: 5G traffic penetration as a driver for improving network eco-efficiency (15% weighting).

4. Topics Relevant for External Stakeholder

From the perspective of Impact Materiality, the Dual Materiality Analysis has made it possible to identify the positive and negative impacts that the Group's activities, products,

¹ The figures in the Transition Plan are calculated based on the Group's environmental scope, excluding TI Sparkle S.p.A., TI Sparkle Greece, TI Sparkle Turkey, and Panama Digital Way

² The figures in the Transition Plan are calculated based on the Group's environmental scope, excluding TI Sparkle S.p.A., TI Sparkle Greece, TI Sparkle Turkey, and Panama Digital Way



and services—and the related value chain—generate or may generate on people and the environment.

The following sections provide a detailed analysis of the two ESRS themes associated with the most significant impacts on external stakeholders, explaining their nature, their origin along the value chain, and the methods the Group uses to assess and monitor their materiality.

4.1 Consumer Protection and Information Security

Topic ESRS: Consumers and End Users

Sub topic ESRS: Impacts Related to Information for Consumers and/or End Users

Impact on external stakeholders

The increasing digitization of the services and solutions offered by the Group involves the management and processing of significant amounts of data and information, exposing consumers and end users to potential risks related to cybersecurity and the protection of personal data. Any cyber incidents, unauthorized access, loss, destruction, or improper disclosure of information may have negative impacts on customers' privacy and security and, more generally, on the protection of their rights.

This impact may stem from both the Group's direct operational activities and the provision of digital products and services, and may extend throughout the value chain via the activities of suppliers and technology partners involved in service delivery and information processing. The analysis covers activities that account for more than 50% of the Group's business.

Cybersecurity is therefore of particular importance to consumers and end users and, more generally, to stakeholders who entrust data and information to the Group. The significance of this impact is further accentuated by the characteristics of the ICT sector, which is characterized by large-scale data management and the growing interconnection of digital



infrastructures, services, and technologies.

Alongside potential negative impacts, the measures adopted by TIM to strengthen the security of its infrastructure, services, and data help generate a positive impact in terms of greater protection and security for users, promoting a safer and more informed use of digital services.

Impact Assessment and Monitoring

TIM monitors changes in impacts through quantitative indicators related to the number and trends of cybersecurity incidents, as well as assessment tools integrated into the company's risk management processes. In this context, the Group also uses the FAIR (Factor Analysis of Information Risk) methodology, which supports the quantitative assessment of cybersecurity risks.

The monitoring also considers the effects of security initiatives on users' perception of security and privacy through specific quantitative indicators designed to measure the level and evolution of users' perception of security and protection. These indicators make it possible to assess changes in users' perception of security and privacy over time, thereby supporting the evaluation of the effectiveness of the measures adopted to prevent and mitigate impacts.

4.2 Commitment to Climate Change Mitigation

Topic ESRS: Climate Change

Sub topic ESRS: Climate Change Mitigation

Impact on the Environment and External Stakeholders

The Group's activities have an impact on the climate through greenhouse gas emissions, which are generated both directly by its operations and indirectly along the value chain. The main sources of impact are related to energy consumption by the network, data centers, and company buildings; the production of purchased goods and services; and



customers' use of ICT products and solutions.

The analysis covers more than 50% of the Group's business activities and includes operations, products, services, and the supply chain, focusing on Italy and Brazil. In 2025, the most significant component of the emissions impact is concentrated along the value chain: upstream, in the production of purchased goods and services, which accounts for 84% of emissions, and downstream, during the use of sold devices, which accounts for approximately 7%.

These emissions contribute to climate change and its resulting effects on the environment and society, impacting ecosystems and communities and contributing to the intensification of the effects associated with climate change. These effects may also affect consumers and end users, as well as external workers operating along the Group's value chain—including workers at suppliers and contractors—as they are potentially exposed to the effects of climate change within their respective communities and work activities. Reducing emissions is therefore a central element of the Group's commitment to the environment and to the various categories of external stakeholders involved.

Alongside the negative impacts associated with emissions, digital services and technologies can generate positive impacts by enabling solutions that promote a more efficient use of resources and support the transition to lower-emission models. In this context, technologies such as the Internet of Things (IoT), cloud computing, and artificial intelligence are applied, for example, in smart monitoring, smart cities, and sustainable agriculture.

Impact Assessment and Monitoring

TIM assesses and monitors its climate impact by systematically measuring Scope 1, Scope 2, and Scope 3 greenhouse gas emissions, taking into account both the activities directly controlled by the Group and the main sources of emissions along the value chain. With regard to Scope 3, monitoring focuses in particular on the most significant categories, including purchased goods and services, capital assets, and the use of products sold.



This approach allows for the consideration of the climate impact generated across the various stages of the value chain and the related areas of impact, including the environment and society, as well as—among potentially affected external stakeholders—consumers, end users, and external workers in the value chain.

These data make it possible to quantitatively measure trends and reductions in greenhouse gas emissions and to monitor the evolution of the Group's climate impact over time. The assessment also considers the effects of emissions on the climate system and natural resources, including through the quantification of the associated social costs. In particular, the Social Cost of Carbon and the Social Cost of Water make it possible to assign a monetary value to the externalities associated, respectively, with greenhouse gas emissions and the effects of climate change on the availability and quality of water resources.

The assessment is further supported by the use of the open-source CLIMADA model, developed by C2SM and OCCR, through which TIM analyzes climate risk scenarios related to its strategic assets and estimates the potential economic damages resulting from extreme events. The assessments include desk and on-site analyses, probabilistic simulations of direct losses, and risk transfer strategies, and they support the identification of adaptation, mitigation, and insurance coverage measures.

Emissions trends allow the Group to measure the evolution of its climate impact over time and to track progress toward the decarbonization targets defined in the Transition Plan, including an 83% reduction in Scope 1 and 2 emissions by 2030 and achieving Net Zero by 2050.